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TAGS: [PBTS](#) [PREL](#) [PGOV](#) [ECON](#) [EPET](#) [EWWT](#) [SENV](#) [SNAR](#) [MX](#) [HO](#)

SUBJECT: SEAS WITHOUT FRONTIERS; OIL DRILLING WITHOUT FEARS:  
HONDURAS-MEXICO SIGN MARITIME TREATY

[1](#)1. On April 18th, Mexico and Honduras signed a maritime delimitation treaty for waters in the Caribbean. Both countries agreed to share all information that will assist in finding petroleum deposits and to formalize an agreement for an efficient and equitable exploitation of such deposits. Foreign Minister of Mexico, Luis Ernesto Derbez, said: "This treaty shows other nations that it is possible to resolve conflicts in a peaceful manner and at the same time respect international law." He also stated that this accord would improve the two countries' ability to combat new threats within the region, such as drug trafficking and terrorism.

[1](#)2. This treaty signing came at a time of strong Honduran support of FM Derbez's bid for the OAS Secretary General position.

[1](#)3. The treaty, under negotiation since 2003, defines the maritime limits and the exclusive economic zone of both countries, based on the UN Convention of the Law of the Sea. It sets up a commission that will handle mutual cooperation plans in the areas of common interest. The agreement promises cooperation to protect and preserve the marine environment, navigation security, search and rescue, and scientific research. If petroleum deposits were one day found in the area, both countries would develop the fields to scientific and industry standards and then share the profits and production.

[1](#)4. The signing of this treaty opens doors for Honduras to complete several other pending maritime treaties with Guatemala, Belize, Jamaica, Nicaragua, and Cuba. Honduras has already signed maritime border treaties with the UK, in regards to the area near the Grand Caimans, and with Colombia. It currently has a maritime dispute in The Hague with Nicaragua over whether their maritime borders delineate on the 15th or 17th parallels. Its maritime negotiations with Cuba seem to hinge on Honduras' vote on the UNCHR Cuban Human Rights issue; however, MFA officials said that the maritime agreement with Mexico, which adjoins the Honduran-Cuban maritime frontier, could facilitate the conclusion of a Honduras-Cuba agreement.

[1](#)5. Post has not reviewed the text of this treaty, but from published descriptions it appears that the treaty includes provisions for "unitization" of any maritime oil fields. Such provisions are increasingly common in the oil sector, and stem from a recognition that oil fields frequently cross maritime borders, but competitive exploitation of the field on both sides of the border can actually damage the field and reduce production. It, therefore, makes more sense to develop the field according to responsible scientific and industry standards, with an agreement in place to then share the production or the profits.

[1](#)6. Comment: To our knowledge, the area in question is not one currently being explored or developed for petroleum production. Moreover, of the 32 exploration wells reportedly drilled in Honduras since 1920, only one showed signs of hydrocarbons, and that reportedly was not in commercial quantities. Recent speculation in the Honduran press aside, Post sees no indication of significant oil sector interest in Honduras as a potential frontier oil province. End comment.

Pierce